

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 16, 2016**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Sarah Lester*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$14,500,000

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**Project Information:**  
**Name:** Casa Blanca Apartments  
**Project Address:** 1000 Claudia Court  
**Project City, County, Zip Code:** Antioch, Contra Costa, 94509

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**Project Sponsor Information:**  
**Name:** LIH Casa Blanca Antioch LP (Central Valley Coalition for Affordable Housing & 1000 Claudia Court, LLC)  
**Principals:** Chrisine Alley, Jennifer Bertuccio, Renee Downum, Sid McIntyre, Steve Simmons & Alan Jenkins for Central Valley Coalition for Affordable Housing; Aryeh Aslan, Shaoul Levy & Jacob Levy for 1000 Claudia Court, LLC  
**Property Management Company:** Platinum Realty Management

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Citibank, N.A.  
**TEFRA Noticing Date:** January 25, 2016  
**TEFRA Adoption Date:** February 9, 2016

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 114, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

The proposed project is an existing development located in the city of Antioch, county of Contra Costa. It consists of 12 two-story buildings containing a total of 115 (114 restricted units plus 1 manager unit) one and two-bedroom units. All structures were built in 1971 and are wood frame construction with stucco exterior siding on concrete slab foundations. The project was renovated in 2001 utilizing Low Income Housing Tax Credits. In 2011, two of the buildings containing 14 units and a carport structure were purchased by the City of Antioch through the eminent domain process so that the city could build the on and off ramp for Highway 4. The buildings were previously located on a vacant land to the west and south. 114 units will be restricted to households with income limits no greater than 60% of the Area Median Income. The scope of rehabilitation for all units will include upgrade of the kitchens and bathrooms; re-flooring of all units; roof overlay; repainting of building exteriors, bathrooms and kitchens; new retrofit dual glazed vinyl windows; new heaters, boilers AC units, door hardware, lighting fixtures; upgrades to landscaping, parking, necessary ADA upgrades; resealing of parking lot; and repairs to walkways. Construction is anticipated to start in April 2016.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

11% (13 units) restricted to 50% or less of area median income households.

89% (101 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1 & 2 bedrooms

The proposed project will not be providing service amenities.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 17,499,657	
<b>Estimated Hard Costs per Unit:</b>	\$ 32,250	(\$3,676,503 /114 units)
<b>Estimated per Unit Cost:</b>	\$ 153,506	(\$17,499,657 /114 units)
<b>Allocation per Unit:</b>	\$ 127,193	(\$14,500,000 /114 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 127,193	(\$14,500,000 /114 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,500,000	\$ 12,000,000
LIH Tax Credit Equity	\$ 824,228	\$ 5,494,852
Developer Fee	\$ 1,881,757	\$ 4,805
<b>Total Sources</b>	<b>\$ 17,205,985</b>	<b>\$ 17,499,657</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 7,903,351
Rehabilitation	\$ 4,300,980
Relocation	\$ 40,000
Architectural Fees	\$ 65,900
Construction Interest & Fees	\$ 970,758
Permanent Financing	\$ 488,063
Legal Fees	\$ 225,000
Reserves	\$ 662,992
Appraisal	\$ 6,000
Contingency Cost	\$ 425,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 529,856
Developer Costs	\$ 1,881,757
<b>Total Uses</b>	<b>\$ 17,499,657</b>

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**Description of Financial Structure and Bond Issuance:**

The financial structure for the proposed project will be private placement transaction provided by Citibank, N.A. During the construction financing phase the loan term will be for 24 months (plus one 6-month option extension) with a interest rate of 4.22%. During the permanent financing phase, the loan term will be for 17 years with an amortization period of 35 years at a fixed rate of 4.20%. The bonds will be issued by the California Statewide Communities Development Authority.

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**Analyst Comments:**

None

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**Legal Questionnaire:**

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

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**Total Points:** 58.5 out of 140

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$14,500,000 in tax exempt bond allocation.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	10
Exceeding Minimum Income Restrictions:	35	15	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>110</b>	<b>58.5</b>

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.